

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6588

BILL NUMBER: HB 1199

NOTE PREPARED: Jan 29, 2004

BILL AMENDED:

SUBJECT: Railroad Health and Safety Inspections.

FIRST AUTHOR: Rep. Kromkowski

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill authorizes the Department of Transportation (INDOT) to perform health and safety inspections along railroad rights-of-way, in rail yards, in terminals, at rail loading and unloading facilities, and on trains if allowed under federal law. The bill allows the Department to order the improvement or removal of a dangerous condition or an unhealthy condition on property owned or operated by a railroad. It also provides a schedule of fines to be recovered in an action brought by the Attorney General for violations of railroad health or safety conditions.

Effective Date: July 1, 2004.

Explanation of State Expenditures: The bill provides that the INDOT may inspect railroad rights-of-way, terminals, rail yards, and rail loading and unloading facilities. The November 5, 2003, staffing report for the INDOT listed six employees in the Railroad Division. Presumably, this division would conduct any inspections required in the bill.

The bill will also involve the Attorney General in the recovery of any penalties which would occur as a result of the violations contained in this proposal. The fund affected is the state General Fund which supports the operation of the Attorney General. It is assumed that the Attorney General will handle any cases with current staff.

Background: Any additional funds and resources that may be required could be supplied through a variety of sources, including the following: (1) Existing staff and resources not currently being used to capacity; (2) Existing staff and resources currently being used in another program; (3) Authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) Funds that, otherwise, would be reverted; or (5) New appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

As of December 8, 2003, INDOT had 584 vacancies with annual budgeted salaries totaling \$13,367,224. The fund affected is the State Highway Fund. For FY 2003, the INDOT reverted \$349.1 M from a variety of accounts. It is indeterminable how much, if any, of current fiscal year reversions would be available for use in the new program.

Explanation of State Revenues: The bill provides for a fine schedule for violations of railroad health or safety conditions that may be recovered in an action brought by the INDOT. The penalty schedule is as follows.

<u>Violation Number</u>	<u>Amount of Penalty</u>	
	<u>At least</u>	<u>But not more than</u>
First violation	\$100	\$500
Second violation	\$500	\$1,000
Third violation	\$1,000	\$5,000
Fourth violation	\$5,000	\$10,000

A penalty under this proposal is recovered through a legal action brought by the Attorney General or under the direction of the Attorney General in the name of the INDOT. Any revenue generated would be deposited in the state General Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Transportation; Attorney General.

Local Agencies Affected:

Information Sources: *December 8, 2003, Vacancy Table; FY 2003 List of Reversions.*

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